THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI K.H. MUNIYAPPA): (a) National Highway No.2C which originates from Dehri and passes through Akbarpur-Jadunathpur and terminates at Uttar Pradesh/Bihar border is a newly declared National Highway notified on 1.6.2006.

(b) Ministry has sanctioned three proposals for widening and strengthening in Km. 0 to 18, Km. 19 to 32 and Km. 33 to 40 for an amount of Rs. 1313.35 lacs, Rs. 864.7 lacs and Rs. 635.39 lacs respectively. The tenders for these works have been decided and works awarded.

(c) No expenditure has been incurred so far on these works. The likely cost of completion is Rs. 2813.44 lacs.

(d) No, Sir.

(e) to (g) Development and maintenance of National Highways is a continuous process. Works are taken up depending upon the availability of resources and *inter-se* priority of works.

Reduction in freight

†1196. DR. MURLI MANOHAR JOSHI: Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether it is a fact that ship freight on international waterways is continuously declining from past four months;

(b) if so, the percentage of decrease in this freight from July 2008 to November, 2008;

(c) the name of origin and destination countries which have witnessed maximum and minimum reduction in freight; and

(d) the reasons for reduction in freight and the percentage reduction in freight attributed to every reason separately?

THE MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU): (a) and (b) Yes, Sir. Ship freight on international waterways has been continuously declinging from past four months. This is especially so for the dry bulk sector where the drop in freight/charter rates which was apparent from August, 2008 took a steep fall in September, October and November, 2008.

As far as liner sector is concerned, the decrease is ranging between 50-70% from Indian sub-continent to Far East sector. Middle East sector and Europe sector. Similarly, the freight is also declining on the return legs ranging from 35-50%.

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†Original notice of the question was received in Hindi.

The dry bulk sector has been the most affected during the period in question. The Baltic Dry Index (BDI) serves as an indicator of the dry bulk market and its steep fall reflectes the freight situation in the dry bulk market. The monthly average of BDI for July, 2008 to November, 2008 is as follows:-

Month	July, 2008	August, 2008	September, 2008	October, 2008	November, 2008
Monthly Average BDI	8934	7407	4975	1808	824
Percentage change from previous month	12.80%	17.09%	32.83%	63.66%	54.42%

The overall fall in BDI from July, 2008 to November, 2008 works out to a fall of 90.78%.

With reference to Tanker sector the Baltic Dirty Tanker Index as on 1st July, 2008 was 1866 and as on 28th November, 2008 was 1073, a drop of 42.5% during this period. The Baltic Clean Tanker Index figures prevailing for the same dates are 1454 and 880 respectively, a drop of 39.48%.

The chemical market especially Easychems *viz.* Benzene, Toluene, Xylene too has softened by about 10-15% especially in the East of Suez Markers.

(c) In general, the fall in freight rates is across all sectors and all geographical segments. However, some trades have been more affected such as iron ore exports from Brazil and India to China. Hence, Cape Size Bulk Carriers [80000 Metric Tonne (MT) + Deadweight Tonnage (DWT) Size] and Handymax Bulk Carriers (35000-49999 MT DWT) Supramax (about 52000-53000 MT DWT) which operate from Brazil and India respectively have witnessed the steepest reduction in freight.

On far east sector, *i.e.* from India to China, Korea, Hong Kong, Singapore and Malaysia, the decline in freight rates is about 50%.

From far Eastern Ports (*i.e.* China, Korea, Hong Kong, Singapore and Malaysia) to India Sub-continent, the decline in freight rates is about 60%.

From India to Middle East sector (namely UAE, Jebelali, Dammam, Kuwait, Muscat, Bahrain and Abu Dhabi), the decline in freight rate is about 45-50%.

And ex-Middle East sector to India, the decline is about 40%.

From India to Europe sector (namely, Germary, Netherlands, United Kingdom, Spain, Italy, Poland, Denmark, France, Turkey, Egypt, St. Petersburg, Ukraine, Portugal, Sweden etc.) the decline in freight rate ranges between 65-70%.

The reduction in freight rate from Europe to India is about 50%.

(d) The decrease in freight charges is on account of the following reasons:

(i) The financial crisis which originated in United States of America and has spread to Europe and other countries is having an effect worldwide. China, a major engine for growth, has a large stockpile of iron ore and coal. Construction in China has come to a standstill and as a result steel demand has dropped steeply.

(ii) The prices of major traded commodities, for example, iron ore, steel, other ores, metals etc. have collapsed due to lack of demand, primary industries have been affected the most and the slump in demand and high inventory of raw materials of these industries has resulted in trade in these commodities coming to a standstill.

(iii) Trade has also been hampered by the lack of confidence between Banks from whom the Letters of Credit are routed.

(iv) the export of iron from India has virtually come to a standstill due to pricing issues and a reduction of demand in China.

(v) The competition is fierce which is putting heavy pressure on freight rates.

Four-laning of NH-5

1197. SHRIMATI RENUBALA PRADHAN: Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the work of four-laning of NH-5 on Golden Quadrilateral has not been completed in the part of Orissa, Andhra Pradesh and West Bengal;

(b) if so, the stretches which have not been completed and the reasons therefor;

(c) the steps taken by Government to complete them;

(d) whether Government has received any representation or memorandum from any individual, group of people, public representatives, Government or private body regarding such delay in completion of this project on NH-5;

(e) if so, the details thereof;

(f) whether there is any time-frame for completion of this project; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI K.H. MUNIYAPPA) : (a) Yes sir.

(b) and (c) Details are given in the enclosed statement (*see* below).

(d) and (e) Yes Sir. Number of representations have been received from public representatives, which have been suitably replied.

(f) and (g) Details are given in the Statement.